

October 4, 1999

G. Chance Crawford
Clerk of the Circuit Court
City of Salem

City Council
City of Salem

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the City of Salem for the period July 1, 1997 through June 30, 1998. We conducted our audit in accordance with generally accepted auditing standards.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted a weakness in internal controls that the Clerk needs to address as described below.

Review Accounting Records

The Clerk does not review the court's daily accounting records. Supervisory review is very important because a separation of duties is not always possible due to the small number of employees. This lack of supervisory review could lead to errors and irregularities going undetected. The Clerk should regularly review the court's daily accounting records to provide an essential internal control.

We discussed these comments with the Clerk on October 4, 1999 and we acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Clifford R. Weckstein, Chief Judge
Randolph M. Smith, City Manager
Bruce Haynes, Executive Secretary
Compensation Board
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia